

Doc# 5266
ADOPTED
1/25/90

EXHIBIT A

BOSTON REDEVELOPMENT AUTHORITY

AMENDMENT TO THE REPORT AND DECISION
ON THE APPLICATION
OF THE PRUDENTIAL INSURANCE COMPANY OF
AMERICA FOR AUTHORIZATION AND APPROVAL
OF A PROJECT UNDER MASSACHUSETTS GENERAL
LAWS (TER. ED.) CHAPTER 121A, AS AMENDED,
AND CHAPTER 652 OF THE ACTS OF 1960

(SEPARATION AMENDMENT)

This Amendment to the Report and Decision ("Amendment") is dated as of January 18, 1990.

On July 14, 1961, the Authority voted to adopt a Report and Decision on the Application of the Prudential Insurance Company of America ("Applicant") for Approval of an Urban Redevelopment Project pursuant to Massachusetts General Laws (Ter. Ed.) Chapter 121A as amended and Chapter 652 of the Acts of 1960. This application (the "Application") was amended August 13, 1964; April 29, 1965; August 7, 1967; June 15, 1972; April 22, 1973; July 17, 1974; May 6, 1976; March 29, 1979; February 21, 1980; September 16, 1982; and December 30, 1983.

In accordance with the foregoing amendments, the Applicant has completed the amenities and improvements contemplated by said amendments. The project as modified in accordance with said amendments shall be referred to herein as the "Existing Project."

On November 6, 1989, the Applicant submitted a further request for an amendment to the Application. The Applicant requested that the Authority divide the Existing Project into two separate projects for the purposes of said Chapter

121A. The two proposed projects are referred to herein as the "Residential Project" and the "Redevelopment Project" and the proposed boundaries of the same are described in the following plans entitled: (1) "Plan of Land in Boston, Massachusetts, Suffolk County" dated August 28, 1989, prepared by Gunther Engineering, Inc., (2) "Extent of Residential Project, The Fairfield Building, Boston, Massachusetts, Suffolk County", dated August 28, 1989, prepared by Gunther Engineering, Inc., (3) "Extent of Residential Project, The Boylston Building, Boston, Massachusetts, Suffolk County", dated August 28, 1989, prepared by Gunther Engineering, Inc., and (4) "Extent of Residential Project, The Gloucester Building, Boston, Massachusetts, Suffolk County", dated July, 1989, prepared by Gunther Engineering, Inc. The foregoing plans are collectively referred to hereinafter as the "Plans", and are attached hereto as Exhibit A.

The Applicant has requested the present Amendment in contemplation of a further amendment ("Termination Amendment") to the Application which would terminate the application of Chapter 121A to the Redevelopment Project, but would not terminate the application of Chapter 121A to the Residential Project.

The Authority hereby makes the following findings and determinations:

That the proposed division of the Existing Project into two separate projects, the Residential Project and the Redevelopment Project, as shown on the Plans, does not constitute a fundamental change in the Existing Project, and that the Authority approves such separation of the Existing Project, and that the Residential Project and the Redevelopment Project, as shown on the Plans, will be subject to the provisions of General Laws Chapter 121A and

Chapter 652 of the Acts of 1960, and to the contract between the Applicant and the City of Boston, dated March 2, 1962, as amended, and to the Rules and Regulations governing Chapter 121A Projects in the City of Boston, and to the statement of Accounts to be paid to the City of Boston, and to the Minimum Standards for Financing, Construction, Maintenance and Management now applicable to the Existing Project, and that the Authority approves such division of the Existing Project, subject to the foregoing, and that such division shall be effective upon the effective date of termination by the Authority and the Mayor of the applicability of Chapter 121A to the Redevelopment Project.

EXHIBIT A

(Separation Plans)

DIR11/10.RPT
121389/4

DALTON STREET

BOYLSTON STREET

EXETER STREET

AVENUE

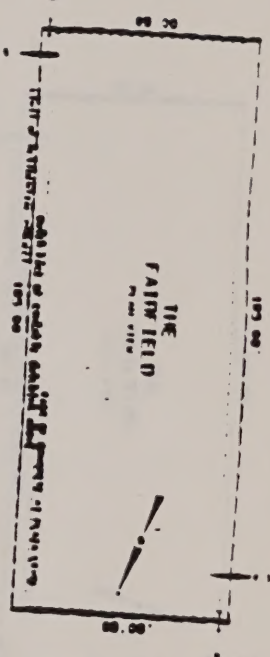
HUNTINGTON STREET

STREET

PRUDENTIAL CENTER
PLAN OF LAND
IN
BOSTON, MASSACHUSETTS
SIXTH COMITY

SCALE 1/2" = 100' 28 AUGUST 1980

NOTES
1. This drawing is for general information only and should not be used for any other purpose without the express written consent of the architect.
2. The owner is responsible for the accuracy of the information provided.
3. The architect is not responsible for the accuracy of the information provided.



THE FAIRFIELD
30 STORY APARTMENT BUILDING
EAST ELEVATION

THE FAIRFIELD
30 STORY APARTMENT BUILDING
EAST ELEVATION

THE FAIRFIELD
30 STORY APARTMENT BUILDING
EAST ELEVATION

THE FAIRFIELD
30 STORY APARTMENT BUILDING
EAST ELEVATION

PROPOSAL:
1. P.C. ON GROUND 0.000 DOWNTOWN ST
2. P.C. ON GROUND 0.000 DOWNTOWN ST
3. P.C. ON GROUND 0.000 DOWNTOWN ST
4. P.C. ON GROUND 0.000 DOWNTOWN ST

REMARKS:
1. P.C. ON GROUND 0.000 DOWNTOWN ST
2. P.C. ON GROUND 0.000 DOWNTOWN ST
3. P.C. ON GROUND 0.000 DOWNTOWN ST
4. P.C. ON GROUND 0.000 DOWNTOWN ST

NOTES:
1. P.C. ON GROUND 0.000 DOWNTOWN ST
2. P.C. ON GROUND 0.000 DOWNTOWN ST
3. P.C. ON GROUND 0.000 DOWNTOWN ST
4. P.C. ON GROUND 0.000 DOWNTOWN ST

PRUDENTIAL CENTER

EXTENT OF RESIDENTIAL PROJECT

THE FAIRFIELD BUILDING

BOSTON, MASSACHUSETTS

SCALE 1/2" = 1'-0"

DATE AUGUST 1998

BY [Signature]

CHECKED BY [Signature]

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

2023

2024

2025

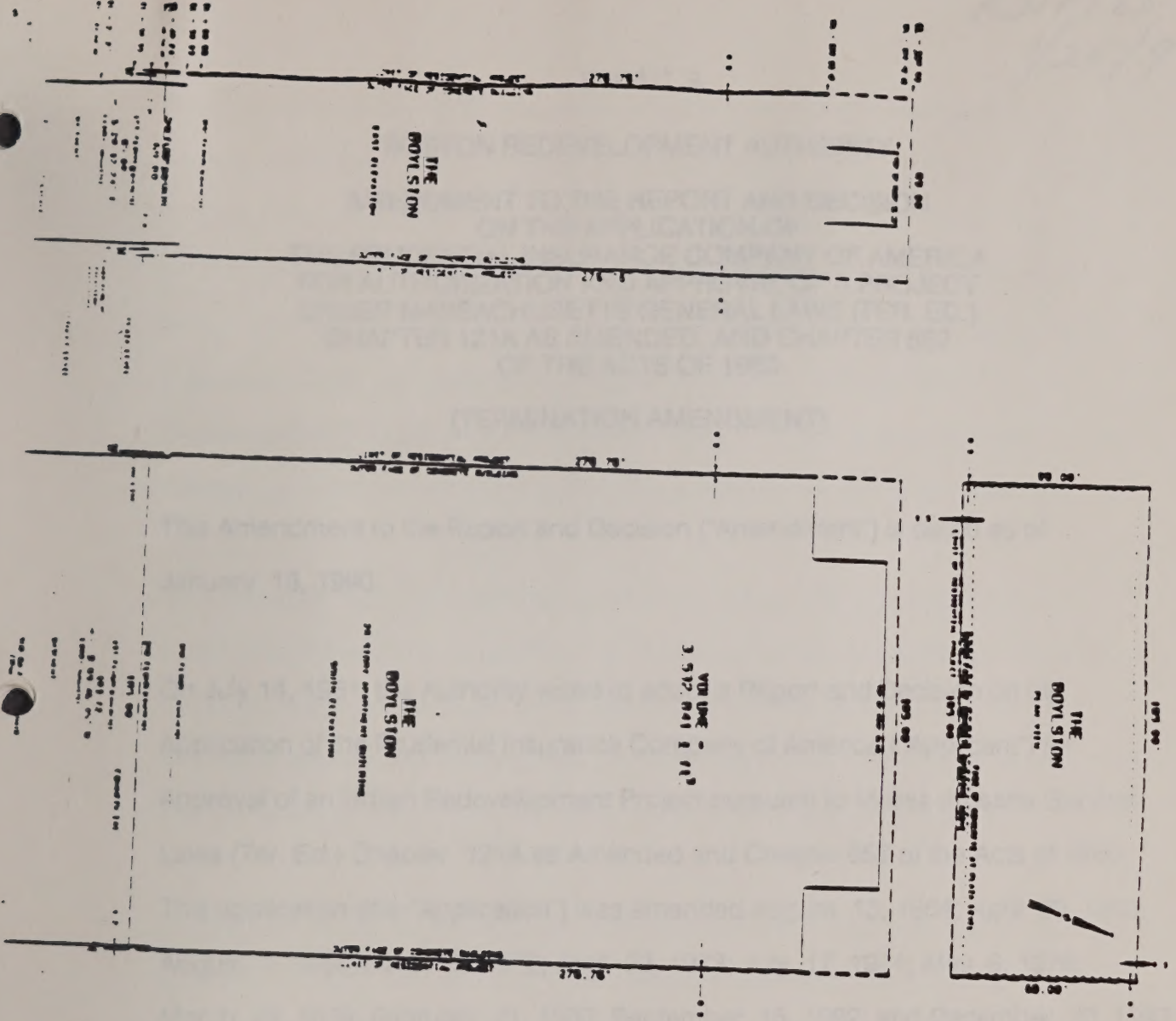
2026

2027

2028

2029

2030



PRUDENTIAL CENTER

EXTENT OF RESIDENTIAL PROJECT

THE ROYAL STON BUILDING

BOSTON, MASSACHUSETTS

Scale: 1" = 20'

DATE: 10/1/80

PROJECT NO. 1000000000

10/1/80

NOTES:

1. ALL DIMENSIONS ARE IN FEET AND INCHES.

2. THE TOTAL AREA OF THE PROJECT IS 109,000 SQ. FT.

3. THE TOTAL AREA OF THE PROJECT IS 109,000 SQ. FT.

4. THE TOTAL AREA OF THE PROJECT IS 109,000 SQ. FT.

5. THE TOTAL AREA OF THE PROJECT IS 109,000 SQ. FT.

6. THE TOTAL AREA OF THE PROJECT IS 109,000 SQ. FT.

7. THE TOTAL AREA OF THE PROJECT IS 109,000 SQ. FT.

8. THE TOTAL AREA OF THE PROJECT IS 109,000 SQ. FT.

9. THE TOTAL AREA OF THE PROJECT IS 109,000 SQ. FT.

10. THE TOTAL AREA OF THE PROJECT IS 109,000 SQ. FT.

DOC # 5266
ADOPTED
1/25/90

EXHIBIT B

BOSTON REDEVELOPMENT AUTHORITY

**AMENDMENT TO THE REPORT AND DECISION
ON THE APPLICATION OF
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
FOR AUTHORIZATION AND APPROVAL OF A PROJECT
UNDER MASSACHUSETTS GENERAL LAWS (TER. ED.)
CHAPTER 121A AS AMENDED, AND CHAPTER 652
OF THE ACTS OF 1960**

(TERMINATION AMENDMENT)

This Amendment to the Report and Decision ("Amendment") is dated as of January 18, 1990.

On July 14, 1961, the Authority voted to adopt a Report and Decision on the Application of the Prudential Insurance Company of America ("Applicant") for Approval of an Urban Redevelopment Project pursuant to Massachusetts General Laws (Ter. Ed.) Chapter 121A as Amended and Chapter 652 of the Acts of 1960. This application (the "Application") was amended August 13, 1964; April 29, 1965; August 7, 1967; June 15, 1972; April 22, 1973; July 17, 1974; May 6, 1976; March 29, 1979; February 21, 1980; September 16, 1982; and December 30, 1983. The project as modified in accordance with said amendments to the Application shall be referred to as the "Existing Project".

On November 6, 1989, the Applicant submitted a further request for an amendment to the Application. Such amendment ("Separation Amendment") is set forth in a separate document being considered by the Authority concurrently with this Amendment. The Separation Amendment provides for the division of the Existing Project into two separate projects for the purposes of Chapter 121A of the General Laws. These two separate projects are shown on plans attached to

the Separation Amendment and are referred to therein and herein as the "Residential Project" and the "Redevelopment Project."

On December 1, 1989, the Applicant submitted a further request for an amendment to the Application, which amendment is set forth herein. The Applicant requested that the Authority terminate the application of Chapter 121A to the Redevelopment Project, but not terminate the application of Chapter 121A to the Residential Project, and to take certain other actions incident to the foregoing.

The Applicant has requested the modifications described in the Separation Amendment and in this Amendment in contemplation of the redevelopment of the Existing Project as described in the Applicant's request for approval of a Development Plan and Development Impact Project Plan ("Development Plan") for the Prudential Center, a copy of which is attached hereto as Exhibit A.

The proposed redevelopment has emerged from a comprehensive planning process involving the Applicant, the Authority, and the Prudential Project Advisory Committee ("PruPAC"), a special group convened by the Mayor to represent the interests of those affected by the proposed redevelopment. The redevelopment will provide for the revitalization of the now obsolete Prudential Center as well as for substantial public benefits, as described in detail in the Development Plan.

In order to proceed with the proposed redevelopment in the most expeditious and economically feasible manner, the Applicant has requested that the Authority terminate the application of Chapter 121A to the Redevelopment Project. A careful examination of the proposed redevelopment in light of constraints of

Chapter 121A reveals that the proposed condominium development that the Applicant plans to construct is inconsistent with the provisions of Chapter 121A. Additionally, statutory limitations set forth in Chapter 121A would unduly restrict the Applicant's ability to structure financing for the proposed redevelopment. The significance of these factors to the successful redevelopment of the Prudential Center and the generation of the concomitant public benefits described in the Development Plan indicate that it is in the public interest to terminate the Redevelopment Project's Chapter 121A status.

However, during the extensive review process that accompanied the preparation of the Development Plan, the Prudential Center's residential tenants expressed concerns about their rights if the Chapter 121A status of the residential portion of the Center were terminated. Mayor Flynn expressed his support for the concerns of the tenants and the City's commitment to protect their rights. Consequently, it was agreed that termination of the Center's Chapter 121A status would exclude the Residential Project, which would remain subject to Chapter 121A. Notwithstanding the protections afforded to the residential tenants by the applicability of the provisions of Chapter 121A to the Residential Project, the residential tenants have expressed additional concerns about the continued existence of the rental status of the residential apartments during the term of the Chapter 121A Agreement and other issues, including the continuance of self-parking arrangements of existing tenants. The Authority is sympathetic to the concerns of the residential tenants in regard to the continued maintenance of the rental status of the apartments due to the history of attempts made to convert residential apartments in the Existing Project to condominiums or cooperatives and intends to address this concern by this Amendment. The Authority also is

sympathetic to concerns on other issues raised by the residential tenants, including that relating to the continuance of self-parking arrangements, and notes that those issues have been dealt with in the Cooperation Agreement to be entered into by the Applicant and the Authority in connection with the Applicant's request for approval of the Development Plan.

Authority Action. Before making the findings and determinations herein set forth and approving the Application, the Authority has considered the Application itself, all documents and exhibits filed with it or referred to in it, the considered recommendation by the Authority's staff, and the arguments and statements made before the Board of the Authority.

Based on the foregoing, the Authority makes the following findings and determinations:

- A. Approval of Termination. The Authority hereby approves and consents to the termination of the application of Chapter 121A to the Redevelopment Project (but not to the Residential Project), subject to the following conditions, which are hereby imposed as rules and regulations. The termination as to the Redevelopment Project shall be effective upon the date by which (i) a certificate (the "Termination Certificate"), from the Applicant is filed with respectively, the Authority, the City Clerk of the City of Boston (the "City Clerk"), the Commissioner of Assessing and the Collector-Treasurer, both of the City of Boston, and the Department of Revenue, Commonwealth of Massachusetts, certifying that work on the redevelopment of the Prudential Center has commenced and stating that the

purpose of said certificate is to trigger the termination of the application of Chapter 121A to the Redevelopment Project, as defined in this Amendment, (ii) the 6A Contract Amendment referenced in Item C below, is executed and delivered to the Authority and (iii) the agreement referenced in Item E below is executed by the Applicant and delivered to the Authority. The date on which the last of the actions described in clauses (i), (ii) and (iii) is accomplished shall be referred to herein as the "Termination Date." From and after the Termination Date, the Redevelopment Project shall be released from all applicable restrictions, benefits and exemptions, imposed or conferred by Chapter 121A. The Redevelopment Project after the Termination Date will no longer be exempt from taxes, excises or assessments, as set forth in Chapter 121A, Section 10, and shall thereafter be subject to any and all real and personal property taxes, excises and assessments to the extent imposed by Chapter 59 of the Massachusetts General Laws, as now amended or as may in the future be amended. Unless the Termination Certificate is filed within two (2) years from and after the date of the filing of this Amendment with the City Clerk, the provisions for termination authorized herein shall lapse, unless an extension or extensions of time is or are granted by vote of the Authority with the approval of the Mayor in accordance with Chapter 652 of the Acts of 1960. Prior to filing the Termination Certificate, the Applicant shall enter into a Payment In-Lieu of Tax Agreement with the City of Boston, approved by the Commissioner of Assessing, in connection with the Redevelopment Project providing that the Applicant will make payments in lieu of taxes with respect to the Redevelopment Project for the period from the date of termination of the application of Chapter 121A to the Redevelopment Project to the date taxes

begin to accrue under Chapter 59 of the General Laws. Such payments will be the same as the taxes that would have been payable on the Redevelopment Project if computed under the Chapter 121A formulas applicable to such project.

B. Fundamental Change in the Project. The Authority hereby finds that the proposed redevelopment of Prudential Center, if approved by the Authority under the provisions of Chapter 121A, would constitute a fundamental change in the Existing Project or in the type and character of the buildings of the Existing Project. The Applicant has indicated that and the Authority so finds that it would be impractical to undertake the redevelopment if it remained subject to the restrictions of Chapter 121A. Accordingly, the Authority has approved and consented to the termination of the application of Chapter 121A to the Redevelopment Project (but not to the Residential Project). The Authority hereby finds that as the Authority is simultaneously approving the Applicant's request for approval of the Development Plan which allows the redevelopment to proceed, the termination of the Chapter 121A status provides the opportunity for the redevelopment project to go forward and that such termination constitutes in itself a fundamental change in the Redevelopment Project or in the type and character of buildings of the Redevelopment Project.

C. Amendment to 6A Contract. The termination of the application of Chapter 121A to the Redevelopment Project, as provided in this Amendment, shall not take effect until an amendment to the 6A Contract, reasonably

satisfactory to both the Applicant and the City of Boston, applicable to the Existing Project is executed by the Applicant and the City of Boston.

- D. Effect on Environment. The Authority hereby finds that the requested actions will have no adverse effect on the environment, and that all practicable and feasible means and measures have been taken, or will be utilized to avoid or minimize damage to the environment.

In particular, such changes do not significantly increase any of the environmental consequences of the Project that have previously been evaluated by the Authority or are being evaluated contemporaneously by the Authority in connection with its review of the Applicant's request for Development Plan approval in connection with the redevelopment of the Prudential Center.

- E. Maintenance of Rental Status. That in consideration of the foregoing approval to terminate the Chapter 121A status of the Redevelopment Project, the Authority hereby states that it shall not entertain or approve any application and restricts the Applicant from submitting any application to convert the Residential Project to a condominium or cooperative status, it being the intention of the Authority to ensure the continuation of the rental status of the Residential Project throughout the remaining term of the Residential Project Chapter 121A term which ends August 31, 2001. In order to ensure compliance with this finding and determination, the termination of the application of Chapter 121A to the Redevelopment Project, as provided

in this Agreement, shall not be effective until the Applicant executes and delivers to the Authority an agreement as set forth in Exhibit B hereto.

The findings and determinations of the Authority set forth in a document of even date entitled "Resolutions of the Boston Redevelopment Authority Regarding Prudential Center Development Plan and Development Impact Project Plan for Planned Development Area No. 37", (filed in the Document Book of the Authority as Document No. 5263), are incorporated into this Report and Decision as if set forth herein.

(Development Plan)

DIR13/09.RPT
011890/9

EXHIBIT B

AGREEMENT AS TO RENTAL STATUS OF
RESIDENTIAL PROJECT - PRUDENTIAL CENTER APARTMENT BUILDINGS

Reference is made to the Boston Redevelopment Authority's Amendments to the Report and Decision on the Application of the Prudential Insurance Company of America for Authorization and Approval of a Project Under Massachusetts General Laws (Ter. Ed.) Chapter 121A as Amended, and Chapter 652 of The Acts of 1960, both dated January ____, 1990. Capitalized terms used herein shall have the meaning set forth in such Amendments to the Report and Decision.

In consideration of: (a) testimony of the Prudential Apartments Association on December 14, 1989 in support of the Applicant's request to the Boston Redevelopment Authority for separation of the Redevelopment Project from the Residential Project, and to terminate the application of Chapter 121A to the Redevelopment Project; (b) the agreement of the Prudential Apartments Association not to seek judicial review of the approval of the Boston Redevelopment Authority of Applicant's request; and (c) the condition imposed by the Boston Redevelopment Authority that the Applicant provide a written commitment to the tenants of the Residential Project to maintain the rental status of the Residential Project, The Prudential Insurance Company of America hereby commits and agrees: (1) to maintain the rental status of the Residential Project (currently known as the Gloucester, the Fairfield, and the Boylston apartment buildings in the Prudential Center) until August 31, 2001; and (2) not to seek conversion of any of the Residential Project, said buildings, or their apartments, to condominium or cooperative status prior to August 31, 2001. The Prudential Insurance Company of America intends this commitment to be legally binding and enforceable by the Prudential Apartments Association and/or by any residential tenants of the Residential Project, and/or by the Authority. This commitment shall be binding on any successors and assigns to The Prudential Insurance Company of America.

Executed this ____ day of ____, 199__.

THE PRUDENTIAL INSURANCE COMPANY OF
AMERICA

By _____

Agreed to:

PRUDENTIAL APARTMENTS ASSOCIATION

By _____

M E M O R A N D U M

JANUARY 25, 1990

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: PAMELA WESSLING, ASSISTANT DIRECTOR FOR
URBAN DESIGN AND DEVELOPMENT
THOMAS MAISTROS, PROJECT MANAGER

SUBJECT: AMENDMENTS TO REPORT AND DECISION AUTHORIZING: 1)
THE SEPARATION OF THE PRUDENTIAL PROJECT UNDER
M.G.L. CHAPTER 121A AND ST. 1960, c. 652, AS
AMENDED INTO THE "RESIDENTIAL PROJECT" AND THE
"REDEVELOPMENT PROJECT" AND 2) THE TERMINATION OF
THE CHAPTER 121A STATUS OF THE REDEVELOPMENT
PROJECT.

EXECUTIVE
SUMMARY:

This memorandum requests that, in the matter regarding the separation of the existing Prudential Center Chapter 121A Project into two Chapter 121A projects, the "Residential Project" and the "Redevelopment Project," and the termination of the Redevelopment Project's Chapter 121A status, the Boston Redevelopment Authority approve and adopt the amendment entitled "Boston Redevelopment Authority Amendment to the Report and Decision on the Application of The Prudential Insurance Company of America for Authorization and Approval of a Project Under Massachusetts General Laws (Ter. Ed.) Chapter 121A, as amended, and Chapter 652 of the Acts of 1960 (Separation Amendment)" and the amendment entitled "Boston Redevelopment Authority Amendment to the Report and Decision on the Application of the Prudential Insurance Company of America for Authorization and Approval of a Project under Massachusetts General Laws (Ter.Ed.) Chapter 121A, as amended, and Chapter 652 of the Acts of 1960 (Termination Amendment)."

On December 14, 1989, a public hearing was held to consider the proposed amendments to the Report and Decision. After the hearing a public comment period was held until January 5, 1990 at 5:00 P.M. during which time no written comments were submitted. On January 18, 1990, the amendments were approved by the Board in draft form.

INTRODUCTION

On December 14, 1989, a public hearing was held to consider two proposed amendments (the "Separation Amendment" and "Termination Amendment," respectively) to the Report and Decision, dated July 14, 1961, and subsequently amended, for the Prudential Center.

The Separation Amendment would separate the Prudential Center Chapter 121A Project into two projects, the "Residential Project" and the "Redevelopment Project." The Termination Amendment would terminate the Chapter 121A status of the Redevelopment Project.

Attached as Exhibit A is the proposed Separation Amendment. Attached as Exhibit B is the proposed Termination Amendment. These documents are the same versions approved in draft form by the BRA Board on January 18, 1990.

DISCUSSION

The Prudential Center, located in the Back Bay, was approved under Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960. The Boston Redevelopment Authority ("BRA") voted to adopt a Report and Decision on the Chapter 121A Application of the Prudential Insurance Company of America ("Prudential") on August 14, 1961.

Since that time there have been a number of amendments to the project, the most recent of which was approved by the BRA on December 30, 1983. Prudential requests the separation of the existing Prudential Center Chapter 121A Project into two Chapter 121A projects, the "Residential Project" and the "Redevelopment Project" as shown on the plans attached hereto as Exhibit A, and, subsequent to the separation, Prudential has requested that the Chapter 121A status of the Redevelopment Project be terminated.

The site area of the Prudential Center (the "Center") is approximately 24.8 acres and is bounded by Boylston Street, Exeter Street, Huntington Avenue, Belvidere Street and Dalton Street, excluding properties owned by the Massachusetts Convention Center Authority and the Lenox Hotel.

Although the termination of the Redevelopment Project's Chapter 121A status would mean that the restrictions of Chapter 121A would no longer apply to the non-residential portion of the Center, the Prudential Center redevelopment would still be subject to substantial review and regulation under the applicable PDA and Article 31 review process.

Memorandum

January 25, 1990

Prudential Chapter 121A Separation/Termination

Page 3.

Prudential is proposing to redevelop the Prudential Center. In this connection it submitted, pursuant to Article 31 of the Boston Zoning Code, a Project Notification Form on June 28, 1988, a Draft Project Impact Report on April 12, 1989, and a Final Project Impact Report on November 14, 1989. The proposed project involves the construction of approximately 1.8 million square feet including two new office buildings, new and redeveloped retail space, 282 residential units, two on-site childcare centers, and reconfigured below-grade parking.

A revitalized Prudential Center offers additional benefits. The Redevelopment Project is anticipated to generate approximately \$9.3 million in annual new tax revenues, 2,200 construction jobs, 5,600 permanent jobs, \$8.87 million in housing and jobs linkage funds, new day care space, substantial streetscape improvements, and other public benefits for neighborhood residents.

In order to carry out the project, Prudential has requested that it be permitted to redevelop without the limitations imposed by its Chapter 121A status. Prudential is concerned with the strict statutory limitations on the sale of interests in, and distributions of dividends from a Chapter 121A Project preventing Prudential from seeking co-investors to help finance the project.

During the review process that accompanied the preparation of the Development Plan, the Prudential Center's residents expressed concerns about their rights if the Chapter 121A status of the residential portion of the Center were terminated. Mayor Flynn expressed his support for the concerns of the tenants and the City's commitment to protect their rights. Consequently, it was agreed that termination of the Center's Chapter 121A status would exclude the Residential Project, which would remain subject to Chapter 121A.

Chapter 121A expressly provides for the BRA to approve applications for change and for the sale of portions of Chapter 121A projects. As such, the division of a single project into two or more separate projects was within the contemplation of the General Court when it enacted Chapter 121A.

The separation of the Center into two Chapter 121A projects and subsequent termination of the Chapter 121A status of the Redevelopment Project is desirable for two reasons. First, by isolating the residential component of the Center as a separate project, the BRA could terminate the Chapter 121A status of the remainder of the Center without disturbing the protection afforded the Center's residential tenants under Chapter 121A.

PRU/121A.MMO

Second, by separating the Center into two Chapter 121A projects and retaining the Residential Project's Chapter 121A status, the City of Boston (the "City") will realize significantly larger tax benefits from the Residential Project. Because of tax classifications and Chapter 59, residential property is taxed at a lower rate than commercial property. Currently, the 1990 FY tax rate for residential property in the City is \$8.45 per thousand dollars of fair market value. Under Chapter 121A, Section 10, the Prudential is taxed at a rate of \$10.00 per thousand dollars of fair market value of the Center plus five percent (5%) of gross income from all sources. Therefore, the City will realize greater revenue by having the Residential Project remain under Chapter 121A.

The Residential Project will continue to be operated as a multi-unit residential apartment complex. Prudential has indicated that, if so directed by the BRA, it will deliver a written assurance to the residential tenants that the rental status of the Residential Project will not be modified through conversion to cooperatives or condominiums through the remaining period during which the Residential Project remains subject to Chapter 121A. Prudential has also provided assurances, to be memorialized through the Cooperation Agreement for the project, that the tenants of the Residential Project will continue to have rights of access through lobbies and existing elevators, and the parking needs of the residential tenants and their visitors and guests will continue to be met through monthly parking arrangements, in an enclosed section of the garage on a shared-use basis, and through provision of a reserved parking area for visitors and guests.

The significance of the factors impeding the Redevelopment Project from being developed under Chapter 121A, and the generation of the public benefits mentioned above, indicate that it is in the public interest to terminate the Redevelopment Project's Chapter 121A status.

In the opinion of the Chief General Counsel, the proposed separation would not represent a fundamental change for the purposes of Chapter 121A. However, the proposed termination would represent a fundamental change for such purposes, and as such, the Prudential's application for termination must be treated as would an application for the original approval of a project under Chapter 121A.

Memorandum

January 25, 1990

Prudential Chapter 121A Separation/Termination

Page 5.

PUBLIC COMMENT

At the December 14, 1989 Board hearing, testimony was received from the Prudential Apartment Association ("PAA") -- the group most concerned with the retention of Chapter 121A protection for the residential buildings of the Prudential Center. The PAA expressed its full support for the separation and termination as provided in the attached documents. No testimony against the proposed separation and termination was given and no subsequent written comments have been received by the BRA. On January 18, 1990, the Board approved in draft form the Separation Amendment and Termination Amendment.

CONCLUSION

Due to the importance of the Project, the practical requirement that the Chapter 121A status of the Redevelopment portion of the site be terminated, the need to protect the residents of the Prudential Center through the retention of the Chapter 121A status of the residential portions of the site, and the support for the separation/termination proposal from the residents of the Prudential Center, the BRA staff recommends that the Board approve and adopt the Separation Amendment and the Termination Amendment, as attached hereto.

An appropriate vote follows:

VOTED: That the Boston Redevelopment Authority hereby approves and adopts the amendment entitled "Boston Redevelopment Authority Amendment to the Report and Decision on the Application of The Prudential Insurance Company of America for Authorization and Approval of a Project Under Massachusetts General Laws (Ter. Ed.) Chapter 121A, as amended, and Chapter 652 of the Acts of 1960 (Separation Amendment)" in the form attached as Exhibit A and the amendment entitled "Boston Redevelopment Authority Amendment to the Report and Decision on the Application of the Prudential Insurance Company of America for Authorization and Approval of a Project under Massachusetts General Laws (Ter. Ed.) Chapter 121A, as amended, and Chapter 652 of the Acts of 1960 (Termination Amendment)" in the form attached as Exhibit B.

ATTACHMENTS:

Exhibit A:	Separation Amendment
Exhibit B:	Termination Amendment

